From: Energy Law360
To: Keating, Cochran

Subject: Exxon, Enviro Group Should Sue EPA, Mass. Judge Says

Date: Monday, December 03, 2018 3:28:23 AM



# **TOP NEWS**

# Exxon, Enviro Group Should Sue EPA, Mass. Judge Says

Exxon Mobil Corp. and an environmental group suing the energy giant over its Boston-area petroleum storage terminal should bring the U.S. Environmental Protection Agency into the case to see whether the 2011 permit for the terminal is still valid, a Massachusetts federal judge suggested at a hearing Friday. Read full article »

## Gas Co. Asks 10th Circ. To Rethink Tribal Pipeline Ruling

A gas pipeline company urged the full Tenth Circuit on Thursday to reconsider a circuit panel's recent ruling that the company couldn't condemn land in which the Kiowa Tribe has a small interest, saying the ruling and another Tenth Circuit decision could hamper gas pipeline development at a critical time. Read full article »

#### Polish, Danish Gas Cos. Ink Baltic Pipeline Deal

A pair of European gas transmission system operators on Friday said they have agreed to build a 900 kilometer gas pipeline that will cross Denmark, Poland and Sweden. Read full article »

#### **Analysis**

#### With Kavanaugh Recusal, Lorenzo Arguments Get Close Look

With Justice Brett Kavanaugh recusing himself from the Lorenzo case involving forwarded misstatements before the U.S. Supreme Court, attorneys say they'll be paying close attention to oral arguments on Monday for any unexpected leanings by the other eight justices. Read full article »

#### **SERIES SPOTLIGHT**

#### The Data-Driven Lawyers Of 2018

Big Data. Statistical Analysis. Insights. Innovation. These data-driven lawyers are making their mark on the legal industry and developing systems and practices that will change the way law is practiced in the 21st century. Read full article »

#### **NATURAL GAS**

#### **Baker Botts Steers Equitrans Midstream In \$530M Deal**

Natural gas operator Equitrans Midstream, advised by Baker Botts LLP, set the stage Friday to take full ownership of EQGP for \$530 million and unveiled a plan to simplify its structure after being spun off from EQT earlier this month. Read full article »

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Halliburton Company

Hazelden Betty Ford Foundation

Helsinn Healthcare SA

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#### Nominal CEO Of \$15M Oil Ponzi Scheme Co. Faces SEC Suit

A Kentucky roofer was a key player in a fracking Ponzi scheme through his role as nominal CEO of a corporation used to swindle \$15 million from investors, the U.S. Securities and Exchange Commission argued in Georgia federal court Friday. Read full article »

#### Taxation With Representation: Nixon, Kirkland, Skadden

In this week's Taxation with Representation, Nixon Peabody bought Oasis Outsourcing Acquisition Corp. for \$1.2 billion, an ArcLight Energy subsidiary bought TransMontaigne Partners LP for \$536 million, and Forrester bought SiriusDecisions for \$245 million. Read full article »

#### **UTILITIES & POWER**

#### TransCanada Accused Of Misleading Electricity Plant Buyer

Energy company Helix Generation LLC filed a lawsuit in Delaware Chancery Court claiming that TransCanada Facility USA Inc. fraudulently induced Helix into buying an electricity-generating facility in New York by inflating revenue prospects and withholding damaging safety information about the condition of some generators at the facility. Read full article »

## \$28M Jury Award Nixed In Death Of Duke Energy Worker

An Ohio appeals court on Friday vacated a \$28 million jury award in a suit accusing an inspection company of being responsible for a Duke Energy worker's death after a rotted utility pole collapsed, saying the trial judge improperly barred the company's argument that Duke was to blame. Read full article »

#### PPL Wants Spin-Off's Montana Suits Sent To Delaware

Pennsylvania energy provider PPL Corp. filed a complaint Friday in Delaware Chancery Court asking for a determination that a pair of suits brought by the new owner of its former energy generating subsidiaries should be moved to Delaware from Montana under the terms of the 2014 spin-off agreement. Read full article »

#### **COAL**

#### **No Coverage Owed For Coal Execs Accused Of Conflicts**

A coal company insurer was cleared by a Delaware Superior Court judge Friday to refuse litigation fee and indemnity coverage for two former directors of a bankrupt Kentucky coal mine who were sued by a case trustee over alleged fraudulent transfers and conflicted actions. Read full article »

# McKinsey Critic Aims To Keep RICO Suit Alive As Feud Grows

A federal racketeering suit accusing McKinsey & Co. of failing to disclose conflicts of interest in several Chapter 11 cases should not be dismissed, Jay Alix, a fierce critic and competitor of the global consulting firm said this week, pushing forward a multipronged feud. Read full article »

#### **EXPERT ANALYSIS**

#### Société Générale: Sanctions Enforcement Is Alive And Well

The recent settlement between Société Générale and U.S. regulators illustrates that U.S. sanctions enforcement authorities may be shifting their attention back to large financial institutions after several years of relatively quiet enforcement across the financial services industry, say attorneys with Ropes & Gray LLP. Read full article »

#### Opinion

#### **High Court Should Hold Securities Fraudsters Accountable**

On Monday, the U.S. Supreme Court will hear oral argument in Lorenzo v. U.S. Securities and Exchange Commission. If the court rules that scheme liability doesn't apply to cases involving false statements, the result will be more victims and more fraud that goes unpunished, says Stephen Hall of

JPMorgan Chase & Co. Johns Manville Corp.

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Kroll Bond Rating Agency Inc.

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Lands' End Inc.

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North American Securities Administrators Association

**PPL Corporation** 

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Perspecta Inc.

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**RPN Executive Search LLC** 

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Society for Worldwide Interbank Financial Telecommunication

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#### LEGAL INDUSTRY

#### Feature

# Why In-House Attys Ditch The Corporate World For Law Firms

Attorneys sometimes leave law firms for in-house positions to abandon the pressure of billable hours or to focus on one client. But what about in-house counsel who make the opposite move? The attractions can range from a diverse client roster to the opportunity to work with lawyers in other practice areas. Read full article »

#### **UK Watchdog Probes Harassment Claims At Reed Smith**

The Solicitors Regulation Authority is investigating claims that a former Reed Smith LLP partner in the London office sexually harassed multiple junior female lawyers, the body confirmed on Friday. Read full article »

#### Sheppard Mullin, Ropes & Gray, Shearman: Bonuses

Ropes & Gray LLP, Shearman & Sterling LLP and Sheppard Mullin Richter & Hampton LLP all announced associate bonuses this week, according to posts from Above The Law. Read full article »

#### **Analysis**

#### **Bounds Rebound? Controversial 9th Circ. Pick May Return**

President Donald Trump's only failed circuit court pick so far — Ninth Circuit nominee Ryan Bounds — could get another chance next year, as he has been making the rounds on Capitol Hill and backers have advocated for the White House to renominate him. Read full article »

#### **Analysis**

# **Class Action Rule Changes Target 'Professional Objectors'**

A long-awaited update to class action rules meant to rein in so-called professional objectors takes effect this week, and plaintiffs' firms are hopeful it will cut off a scheme by attorneys who try to profit by using objections to hold settlements hostage. Read full article »

#### Fed. Judge Who Struck Down Defense Of Marriage Act Dies

U.S. District Judge Joseph L. Tauro, who sat on the bench in Boston for more than 40 years and was the first federal judge to rule that the Defense of Marriage Act was unconstitutional, died Friday morning at the age of 87. Read full article »

#### Judge's Ties To Cravath Didn't Corrupt ERISA Row, NYU Says

Former U.S. District Judge Katherine Forrest's decision to join Cravath Swaine & Moore LLP, which is chaired by a New York University trustee, after ruling in NYU's favor in an Employee Retirement Income Security Act class action didn't create the appearance of impropriety, the university has told a federal court. Read full article »

#### Bentham Unveils \$500M US-Focused Litigation Finance Fund

The U.S. arm of Australian litigation funder IMF Bentham Ltd. on Friday said its latest investment fund scooped up \$375 million at its first close and is expected to reach the \$500 million mark by the end of the year, as the firm looks to meet a growing need for financing resources. Read full article »

#### Fla. Senate Dems Begin Push To Reform Judicial Nominations

Democrats in the Florida Senate said Friday that they intend to try to reform the state's judicial nomination process, which they say has become too politicized and has resulted in a judiciary that does not reflect the diversity of the state's residents. Read full article »

#### Up Next At High Court: AIA, Double Jeopardy

The U.S. Supreme Court will examine patent eligibility under the America Invents Act, a securities enforcement action and a historic double jeopardy

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Knobbe Martens

Latham & Watkins

LeClairRyan

Lewis Roca

Littler Mendelson

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Mark Migdal & Hayden

Mayer Brown

Michael Best

Milbank Tweed

Modus Law

Morgan Lewis

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Paul Weiss

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Quinn Emanuel

Reed Smith

Richards Kibbe

Richards Layton

Robbins Russell

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Shearman & Sterling

Sheppard Mullin

Shook Hardy

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Squire Patton Boggs

case when it returns to the bench Monday for the final week of arguments in 2018. Read full article »

#### Feature

#### **GC Cheat Sheet: The Hottest Corporate News Of The Week**

Consumer watchdogs from seven European countries filed complaints accusing Google of deceptive practices, a survey found the majority of law departments are eyeing an increase in their legal needs in 2019, and 3M became the first in-house legal department to sign on to the ABA's well-being pledge. These are some of the stories in corporate legal news you may have missed in the past week. Read full article »

#### In Case You Missed It: Hottest Firms And Stories On Law360

For those who missed out, here's a look back at the law firms, stories and expert analyses that generated the most buzz on Law360 last week. Read full article »

#### Podcast

#### Law360's Pro Say: Can The Gov't Seize Your Land Rover?

If you're charged with a crime, can the government just take your stuff? On this week's Pro Say podcast we discuss the increased use of civil forfeiture and one U.S. Supreme Court case that may change the trend. Read full article »

#### Practitioner's Guide To Stratified Random Sampling: Part 1

Brian Kriegler of Econ One Research Inc. explains when it might be advantageous to select a random sample that has been divided into multiple subpopulations, such as when evaluating the rate at which a large medical provider submitted ineligible Medicare reimbursements over 10 years. Read full article »

#### **JOBS**

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From: Scott Hempling
To: Keating, Cochran

Subject: February 2018 Essay | A Letter to Governors and Legislators

Date: Thursday, February 01, 2018 9:35:18 AM

# Books by Hempling

Regulating
Public Utility
Performance:
The Law of
Market
Structure,
Pricing and
Jurisdiction

Preside or Lead? The Attributes and Actions of Effective Regulators

# Recent Testimony

Testimony on behalf of KCC in the Matter of GPE, KCP&L, and Westar Joint App

Testimony on behalf of NJ BPU in the Matter of JCP&L

Testimony for DC Public Service Commission Hearing on Proposed Exelon-Pepco Merger

Recent Essays

# **Scott Hempling**

Attorney at Law LLC Effective Regulation of Public Utilities

**Monthly Essay February 2018** 

# A Letter to Governors and Legislators

#### ON APPOINTING EXCELLENT REGULATORS

Dear Governors and Legislators,

Congratulations on your (re-)election. Your many duties include appointing and confirming public utility commissioners. They are responsible for inducing high-quality performance by providers of electric, gas, water, and telecommunications service. Your appointees' decisions will affect millions of consumers; billions of investor dollars; the local, regional, and national economies; and our air, land, and water. Here are eight thoughts on producing top-notch results:

# 1. Appointments Rooted in Principle

"Regulation" is not a political whipping boy, something to campaign against. Nor is it a unidimensional spectrum on which "more" is better than "less." Serious regulators do not debate oversimplifications like "command and control" versus "light-handed" regulation. (The regulatory legend Peter Bradford once noted, "I've heard of light-headed regulation, light-fingered regulation, and red-handed regulation; I know little of light-handed regulation.") Regulation, instead, is about performance: aligning utilities' behavior with the public's needs. Principled regulators ask five questions: (1) What outcomes do we seek to produce?; (2) What specific behaviors, engaged in by whom, will produce those outcomes?; (3) Which behaviors will occur naturally, without regulation, because they align with the actor's self-interest?; (4) Which behaviors, in contrast, will occur only if regulation intervenes?; and (5) To produce those behaviors, what specific rewards and penalties must regulation introduce?

#### 2. A Ten-Dimensional Job

Utility regulation used to be straightforward. Utilities built infrastructure, sold products and services, proposed rate increases. Commissions approved projects and set rates. Their central aim was to protect customers from monopoly abuse—in the form of imprudent investments, inefficient operations, and undue discrimination against choiceless customers—while setting rates that gave investors a fair shot at a reasonable return.

Today's regulators do much more: They make markets, design programs,

Tweeting and Polling: Insults to Effective Regulation

A Regulatory Thanksgiving

The "Public Interest": Who Has a Definition?

The Respectful Regulator

The Creative Regulator

The Synthesizing Regulator

The Disciplined Regulator

Read all essays since Oct. 2007 administer investment funds, incubate renewable energy industries, disseminate broadband, promote energy efficiency, protect critical infrastructure, and resolve stakeholder differences. They even act as political shields for governors and legislators paralyzed by the complexity of it all.

With all these demands, what does it take to excel at regulation? On a personal level, what must regulators be, and what must they do, to be effective? Next are some thoughts on attributes, experience, vision, ideological baggage, and political skill. I'll close with an alert about asymmetry.

## 3. Personal Attributes

An effective regulator is purposeful, decisive, and independent. A purposeful regulator defines the public interest by articulating a vision (see #5 below). A decisive regulator acts to align utilities' and consumers' private behavior with that vision. An independent regulator accepts the pressures of public-interest politics (the need to make tradeoffs among meritorious but conflicting goals) but avoids the distortions of private-interest politics (the pressures from narrow forces seeking benefits for themselves). Recognizing that commissions are not courts and regulators are not judges, she not only presides; she leads.

She rejects the rhetorical bipolarity of "markets versus regulation" because she understands, per Dr. Alfred Kahn, that her "central, continuing responsibility" is "finding the best possible mix of inevitably imperfect regulation and inevitably imperfect competition." She prefers facts and logic over adjectives and adverbs.

## 4. Professional Experience

Regulation is an eighty-miles-an-hour bus. Someone up front needs to know how it runs and where it should go. Aim for at least one appointee with deep regulatory experience. Promoting a staff person gives a double punch, boosting agency morale while ensuring experience. Add someone who has worked in a regulated industry: not a talker but a doer—someone who planned, financed, built, or operated infrastructure, or who connected with customers. You'll take a hit for the "revolving door," but you'll gain someone who knows how it feels to be regulated.

## 5. Vision

A vision is more than a two-sentence mission statement. It is purpose depicted. The regulator with vision can describe the optimal industry structure (in which motivations, behavior, and performance all align with the public interest), its microeconomic features (the product array, customers' experience, sellers' profitability); and its macroeconomic features (the industry's overall performance, its contribution to the state and regional economies, its environmental effects). An effective regulator tests that vision against present facts, makes adjustments, and then designs and sequences the regulatory steps to produce it.

# 6. Ideological Baggage

In regulation, the shopworn dichotomies are false dichotomies. There is no Republican or Democratic way to regulate. Federal versus state, markets versus regulation, urban versus rural, generation versus efficiency, incumbent versus newcomer, publicly owned versus investor-owned, publicly traded versus closely held: All these "versuses" lead to zerosumsmanship, usually boiling down to mine versus yours. The best ideas come not from ideology, hope, or promises of "good faith"; they come from facts, logic, and extrapolation from experience.

## 7. Political Skill

Twenty-five years ago, the politics of regulation were easy to follow: Investors wanted solid returns; customers wanted reasonable rates. Positions were predictable; the debate was over dollars. Today, the interests have multiplied in numbers and diversity. The investment community is no longer just shareholders and bondholders; we have private equity, hedge funds, short sellers, holding companies from Scotland, England, Australia, Germany, and France. The consumer community is also splintered; the simple threesome of residential, commercial, and industrial has given way to a United Nations of irrigation farmers, computer manufacturers, military bases, casinos, gold mines, and ski resorts. Each technology has its own interest, from wind turbine manufacturers to smart-grid installers. There are environmentalists, labor unions, privacy advocates, and terrorism consultants.

Many of these newcomers are new to regulation's purpose. Some view the commission as just another government agency—a "public resource center" obligated thereby to give out benefits to those who ask. Others seek protection—from high prices and complicated choices.

Dealing with this diversity requires political skill. The choice is between channeling these perspectives toward a long-term vision of industry structure and performance or producing a series of "compromises" that produce only short-term peace.

## 8. Resource Asymmetry

With rare exceptions, utility executives know more than their regulators. This asymmetry invades every relevant knowledge category: costs (including opportunities for cost reductions); operations (e.g., the capability, availability, and vulnerability of physical plants); customers (consumption patterns, product preferences, payment histories); market value and financing opportunities; utility staff capabilities; and technological potential.

Addressing this asymmetry is key to regulation's credibility. To induce the utility to provide excellent service at reasonable cost, the regulator must establish standards, then compensate the utility to the extent that it meets those standards. To do so credibly and effectively, the regulator literally needs to know what he's doing. His expertise must match the utility's. The underresourced, under-informed commission risks (a) setting performance standards

too low or rates too high, causing captive ratepayers to overpay for subpar service; or (b) setting performance standards too high or rates too low, weakening the company and losing investors' trust. Regulation's credibility is undermined by asymmetry.

Governors who want independent regulators must obtain for them the staff resources that independence requires: staff whose credentials—and pay—match the utilities'. Ratepayers already pay for the utility's personnel; they won't mind paying for objective staff who can judge utility performance. Allowing commissions to finance their operations through the same rates that pay for utility personnel is the most direct solution to asymmetry.

#### Conclusion

It's asking a lot to find women and men with the personal attributes, experience, vision, objectivity, and political skill demanded by this tendimensional job. But they exist, and they succeed. If you can find them and appoint them, your public will thank you. Good luck.

\* \* \*

In my January essay, <u>Tweeting and Polling: Insults to Effective Regulation</u>, I argued that tweeting a poll on a multibillion dollar plant risks oversimplification. I also said that the author of the tweet at issue, Georgia Commissioner Tim Echols, was a "genial and gracious" person. Proving himself equal to that description, Comm. Echols offered a response. Here it is:

# Why Social Media is Important to Me (a response to Scott's last newsletter)

## By Tim G. Echols, Vice-Chair, Georgia Public Service Commission

When I first was elected in 2010 and began attending NARUC (National Association of Regulatory Utility Commissioners) functions, several folks cautioned me against being too much of an "activist." Commissioner Phil Jones from the state of Washington, and Scott Hempling, who I met in a "New Commissioner Luncheon," at the winter meeting were just two of those voices. Their caution and concern was and is appropriate.

Back home in Georgia, my fellow commissioners gave me similar cautions as I sought to "increase the stature" of the Georgia PSC. My effort to keep our agency in the news, and have citizens understand more about what we do, received mixed reviews, and clearly I made a lot of rookie-mistakes that first year in office. But my mentors stuck with me and continued to help me mature and balance my efforts to engage people with our issues. For that, I will always be grateful.

Fast-forward 6 years to last month and my friend Scott Hempling uses a Twitter posting I made, along with some Rotary Club comments, to suggest in his essay that maybe I haven't learned my lesson after all. Here is why this is different.

First, as an elected official, and a regulator, engagement with the public and soliciting feedback is important to my survival. I troll Facebook and Twitter almost daily and engage with people, especially those who post negative comments or who disagree with me. I often send them a direct message thanking them for their opinion and offer an article or rationale for my action, vote, or article. They respond, and I keep the conversation going. If complicated, I will ask them to call me on my cell and have a conversation. When the off-line communication is over, what often happens, without any prompting from me, is that the person makes another public-posting recounting my reaching out to them, the positive nature of the interaction, and most importantly, a shout-out to me for caring and listening. And if I do this in a timely way, they seem to give me bonus points.

Second, we live in a day when people are cynical about politicians. Despite me not liking that word, I am a politician because I run for office, raise money, and engage in the electoral process. Almost 80% of states in our country appoint regulators like me. Those colleagues are not "politicians," and certainly their activities, comments, opinions, media appearances, interviews are often subject to great scrutiny by the very person or entity that appointed them. In some ways, my appointed colleagues have one constituent—the Governor of their state. While regulatory commissioners are judicial in nature, they don't have lifetime appointments, and therefore they serve at the pleasure most often of the state's chief executive. If a commissioner in those states stray[s] far from the agenda or message of that Governor, they might get a call or receive a "message" to cease and desist, or something even worse. Scott also has a few things to say about that as well I am sure.

Given the cynicism in the public square, and my background in training young people through my non-profit, TeenPact, I take great measures to change the way people "feel" about my agency and government in general. I have almost one hundred essays and op-eds for newspapers and magazines over the last seven years, and usually invite people at the end to engage with me by putting my cell phone number, email address, and social media handles.

As Scott has opined, being in the "energy" business as a commissioner is a difficult and challenging job. You have to learn to deal with kilowatts, inverters, dockets, turbines, sub-stations and a host of words and concepts created from initials—like NARUC, EPA, FERC and maybe the NRC. When you add Twitter and Facebook to the mix, especially with the controversy around how Donald J. Trump has used it, it is enough to drive one crazy. Who needs the liability, Scott would suggest. I think there is another way to look at this.

Let's start with the most popular social media—Facebook. You may have thought that Facebook was just for people who wanted to post videos of dogs, cats, their dinner, and of course—selfies. But many in the energy world use Facebook to connect with customers, ratepayers and anyone looking around on the internet.

Companies like Duke Energy advertise their refrigerator-recycling program on Facebook. Georgia Power has a special Facebook page dedicated just to

their electric vehicle program. Entergy has a Facebook page for every division and uses it to brag on customers and employees. EMC's use the "throwback Thursday" hashtag #TBT to post historic events from their past for their Facebook friends to see. The California Public Utilities Commission allows anyone to "vent" on their Facebook page, including the posting of photos. Austin Energy's Facebook page is a virtual brag-book of company accomplishments. You get the idea. It is a free scrapbook with settings that give the page owner as much control as you like. In fact, you can even create a "secret" group that only invited people can see.

What about the infamous Twitter? Despite what you might think, Twitter is not just for mean people. Believe it or not, Twitter has been with us for almost 12 years now. I first started using it in 2007 and it seemed like a complete waste of time. A professor made me set up the account in my Mass Communication Masters program.

Twitter, unlike Facebook, is not meant for friends and family. Rather, Twitter is for people you are trying to communicate WITH. For me as an elected commissioner, that is voters, ratepayes and the media. You can follow anyone and they can follow you. No permission is required like on many Facebook pages. Usually, only people who follow you see your messages, so the idea is to increase the number of people who follow you. There are tricks to doing this—including using surveys like the one Scott mentioned in his essay soliciting feedback about my Vogtle vote.

How much can you say in 280 characters you might ask? That is what a "tweet" is usually limited to. Actually, you can say quite a bit because you are forced to boil it down to the core message quickly. By adding a link, which journalists do, followers can get more. In fact, most reporters I know use Twitter to "tease" their stories and drive people to their publication website. (Maybe Scott should think about this for his publication).

Just make sure the link matches what you tweet. The "Politifact" project took a tweet I did on solar jobs in Georgia and deemed it a "half-true" on the front page of the local section of the Atlanta Journal Constitution because the figure in the link did not match what I put in the "Tweet." Pause, fact-check, then Tweet is the take-home lesson there. Never mind that a trade association gave me the number. If it goes out on your account, it is attributed to you.

For utilities, many use it for "breaking news" types of alerts: power outages, emergency info, etc. Twitter is the social media of choice for media types and they are the most prolific users of this platform in my opinion. Not a day goes by when CNN or other outlet[s] [are] not attributing a tweet to the President or other official. In some ways, Twitter has become the loudest voice a person can use.

PPL Electric and many utilities have staff who monitor their Twitter feed and allow customers to report outages, communicate concerns, or whatever—which the utility can then respond to. The PUC of Texas uses Twitter to provide followers with info about hearings, customer service information or agency news. ERCOT uses their Twitter feed to advertise job opening[s],

provide historical info and provide forecast details. NARUC uses their Twitter account to "live tweet" interesting photos and tidbits from their nationwide meetings. Fortnightly uses Twitter to push out magazine content—always using a link so readers can get directly to the content.

The EPA has 582,000 Twitter followers, which is huge. They have a Twitter account for every region and use it many times per day to communicate meaningful information to their followers. These include photos of the Administrator and various staff busy at work, info on grants, and programs. In fact, the EPA has its own hashtags on Twitter such as #CPP, #ActOnClimate, #DisasterPrep, #CleanPowerPlan and others. Virtually all federal agencies do the same.

Using hastags allow a user to assign a particular subject to a Tweet, and the EPA uses hashtags as well as anyone. Followers searching or tracking a "trend" may discover your account and begin following you as a result of a hashtag. If you are on Twitter, try using a hashtag the next time you tweet.

And probably best of all, Twitter allows companies to get instant customer service—assuming the account is monitored. I often use it when trying to communicate with a company like Delta Airlines when I am in a crowd. Their response time is within seconds and I don't have to bother people around me at the airport with one of those obnoxious phone calls. You know the kind I am talking about. When I have my airline issue resolved, I just go back in and delete that Twitter activity. If I don't, it is sitting there for all the world to see.

In a way, Scott's theory is right: "Tweeting a poll has no place in serious regulation." His concern about oversimplification and sampling is merited. But what he didn't know was what I was really doing, and how it fits into how I see my role as a constitutional officer in the state of Georgia.

In the meantime, let's keep learning from each other so that we may serve the public in a more effective and meaningful way. Let's be gracious, accept criticism, and engage in discussion that leaves all parties feeling better. Thank you Scott for starting this conversation. Keep up the good work.

#### - Tim

Tim Echols was elected statewide to the Georgia Public Service Commission in 2010. He drives an electric car, preaches energy efficiency, and installed solar thermal on his home. He recently authored the motion to keep Georgia building new nuclear reactors. He has three degrees from the University of Georgia, one wife, and 7 kids.



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<u>UNSUBSCRIBE</u>

From: <u>Hamon, Kurt</u>
To: <u>Gormley, Carol</u>

Cc: <u>Langston, Don; Keating, Cochran</u>

Subject: FW: FW: Tax excerpts from Duke Energy Rate Settlement

Date: Thursday, January 11, 2018 10:17:37 AM

#### Carol,

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See discussion below.

Kurt

From: Langston, Don [mailto:Don.Langston@LASPBS.STATE.FL.US]

Sent: Thursday, January 11, 2018 8:50 AM

**To:** Hamon, Kurt **Cc:** Keating, Cochran

Subject: RE: FW: Tax excerpts from Duke Energy Rate Settlement

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Sent: Thursday, January 11, 2018 8:31 AM

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https://www.eia.gov/electricity/data/browser/#/topic/6?

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Sent:Wed, 10 Jan 2018 19:36:59 -0500
To:"Gormley, Carol"
Cc:"Tanenbaum, Adam" ,"Langston, Don" ,"Keating, Cochran"
Subject:FW: Tax excerpts from Duke Energy Rate Settlement

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From: Keating, Cochran

**Sent:** Wednesday, January 10, 2018 7:34 PM **To:** Hamon, Kurt < <a href="mailto:Kurt.Hamon@myfloridahouse.gov">Kurt.Hamon@myfloridahouse.gov</a> **Subject:** Tax excerpts from Duke Energy Rate Settlement

The language from Duke's rate settlement with regard to tax reform impacts is attached.

-Cochran

From: <u>Katherine Pennington</u>
To: <u>Keating, Cochran</u>

Cc: <u>Adam Potts; Braulio Baez; Andrew Maurey; Mark Futrell</u>

Subject: FW: Tax Reform Information

**Date:** Thursday, January 11, 2018 1:44:31 PM

Attachments: <u>Gulf Settlement.pdf</u>

TECO Settlement.pdf Duke Settlement.pdf FPUC Settlement.pdf 00220-2018.pdf

#### Cochran:

The OPC petition is attached. Additionally, Andrew's staff pulled together the attached information below. The page numbers indicate where you can find the information related to the changes in federal taxes.

Regarding any information about the magnitude of any tax savings, it is too soon to know the answer to that question.

Let us know if you need anything further.

**Gulf Power** 

Docket No. 20160186-EI Order No. PSC-17-0178-S-EI Attachment A, pages 6-7

TECO

Docket No. 20170210-El Order No. PSC-2017-0456-S-El

Pages 23-26

Duke

Docket No. 20170183

Order No.

Attachment A, pages 30-33

**FPUC** 

Docket No. 20170150-EI

Order No. PSC-2017-488-PAA-EI

Attachment A, pages 5-7

# Lee Smith

Public Utility Analyst
Florida Public Service Commission
Division of Accounting and Finance
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850
850-413-7003
Ismith@psc.state.fl.us

From: <u>Hamby, Tom</u>
To: <u>Keating, Cochran</u>

Subject: RE: Electric Hardening Proposal Follow up Date: Tuesday, January 30, 2018 1:23:56 PM

Thanks Cochran. The summary you provided below is helpful. I will hold off providing anything to Mat until all the information can be combined into one document.

Thanks, tom

From: Keating, Cochran

Sent: Tuesday, January 30, 2018 12:59 PM

**To:** Hamby, Tom **Cc:** Hamon, Kurt

**Subject:** RE: Electric Hardening Proposal Follow up

Still working on gathering info re question #2, but question #3 has an extensive answer. Quite a bit has been done on an ongoing basis since 2006. I'll try to summarize.

- 1. in 2006, the PSC adopted rules addressing hardening of transmission and distribution facilities for all electric utilities. Among other things, these rules:
  - Required utilities to file 3-year storm hardening plans (discussed in detail below).
  - Required electric utilities to develop construction standards which, at a minimum, meet
    the National Electrical Safety Code (NESC), and to the extent reasonably practical,
    feasible, and cost-effective for distribution facilities, be guided by the extreme wind
    loading standards specified by the NESC.
  - Require utilities, when calculating the cost differential between overhead and underground systems, to account for average historical storm restoration costs over the life of the facilities.
  - Allow utilities to waive part of the cost differential for undergrounding (otherwise payable
    by the applicant for undergrounding), and require utilities to absorb any waived
    differential unless the Commission determines that there is a quantifiable benefit to the
    general body of ratepayers commensurate with the waived portion.
- 2. Since 2006, the PSC has required the utilities to file 3-year storm hardening plans and report on their storm hardening activities annually. (The report does not include specific undergrounding projects.) The PSC then reviews the utility reports and issue its own annual report. (The PSC's review does not amount to an approval for cost recovery purposes. Utilities must still demonstrate prudence through a rate case.) The most recent annual report from the PSC reflects utility activities through 2016. These activities include:
  - Vegetation management that ensures all overhead feeder circuits (main distribution lines) are cleared on a 3-year cycle and all lateral circuits (secondary distribution lines) are cleared on a 6-year cycle. Per the most recent PSC report, all utilities are operating within the prescribed cycles.
  - Auditing joint-use agreements for pole attachments by other parties (e.g., phone and cable) to ensure that poles are not compromised by being overloaded.
  - Inspection of all transmission structures on a 6-year cycle. Per the most recent PSC report, all utilities are operating within the prescribed cycles.
  - Inspection of all wooden poles on an 8-year cycle to ensure compliance with the National

## Electric Safety Code.

- Hardening of transmission structures (e.g., converting from wooden structures to steel/concrete structures).
  - \*\* Per the most recent PSC report:
    - o 40% of Duke's transmission poles remain to be hardened.
    - o 12% of FPL's transmission poles remain to be hardened.
    - o 2% of Gulf's transmission structures remain to be hardened.
    - o 33% of TECO's transmission poles remain to be hardened.
- Gathering post-storm information and other outage information on competing technologies, performing forensic analysis, and assessing the reliability of overhead v. underground systems on an ongoing basis. Per the most recent PSC report, differentiating between overhead and underground reliability performance and costs is still difficult because underground facilities are typically connected to overhead facilities and the interconnected systems of the IOUs address reliability on an overall basis. Further, the report notes that there was not storm damage in 2016 sufficient to provide useful data in this area.
- Coordination with local governments
- Collaborative research on: (1) undergrounding existing distribution lines, including development of a model to project benefits and costs of overhead to underground conversions; (2) data gathering and analysis of hurricane winds, including possible expansion of a simulator to test hardening approaches; and (3) a public outreach initiative. Per the most recent annual PSC report, Florida's IOUs, munis, and cooperative utilities are working collaboratively with the Public Utility Research Center at UF on the undergrounding topic, with emphasis on the impact of undergrounding in hurricanes, and have a computer model. However, insufficient storm data had been produced through the end of 2016 to feed into the model.
- Maintaining a natural disaster preparedness and recovery program.

I hope this isn't too much, but enough to thoroughly answer the question.

**From:** Hamby, Tom

Sent: Tuesday, January 30, 2018 9:25 AM

**To:** Hamon, Kurt < <a href="mailto:Kurt.Hamon@myfloridahouse.gov">Keating, Cochran</a>

<Cochran.Keating@myfloridahouse.gov>

**Subject:** Electric Hardening Proposal Follow up

Kurt and Cochran:

I need to get with you today to follow up on the electric hardening proposal. The members requested additional information, such as 1) What is the estimated amount of rate reduction that would result due to the change in the corporate tax code that would occur without the proposal?; 2)how much undergrounding has occurred under current policy?; 3) what has been accomplished to harden the electric grid under current policy, etc.

I do not know if we can answer any of these questions, but need to discuss with you.

Thanks,

tom

Tom Hamby, Policy Director House Rules & Policy Committee 850-717-4880

 From:
 Langston, Don

 To:
 Hamon, Kurt

 Cc:
 Keating, Cochran

Subject: RE: FW: Tax excerpts from Duke Energy Rate Settlement

Date: Thursday, January 11, 2018 8:50:26 AM

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agg=0,1&geo=vvvvvvvvvvvvve&endsec=vg&freq=A&start=2001&end=2016&ctype=linechart<ype=pin&rtype=s&pin=&rse=0&maptype=0

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	ANS Nuclear SmartBrief Keating, Cochran		
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The South Carolina Public Service Commission will decide whether to approve the merger of SCANA and Dominion Energy at a meeting on Dec. 14. The meeting will settle the future electric rates for customers of SCANA subsidiary South Carolina Electric & Gas.

The State (Columbia, S.C.) (tiered subscription model) (12/6)			
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	Tips to Keep Your High Performers Happy Superstar employees are undoubtedly in high de business managers need a clear strategy to reci		

high performers and to get rid of toxic workers. from faculty and experts at the Kellogg School Management at Northwestern University.	
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How often do you overcommit and stretch yourself too thin? Mike Figliuolo	NIC .
<ul> <li>When you have a high performer whose performance starts dropping, how it? Mike Figliuolo</li> </ul>	do you handle
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Regulator OKs transfer of Vermont Yankee plant for decommissioni The closed Vermont Yankee nuclear plant can be transferred from Entergy to North decommissioning, says the Vermont Public Utility Commission. The decommission start in 2021 at the latest.  Vermont Public Radio (12/6)	Star for
Energy Dept. to shut down AMWTP in Idaho next year  The Energy Department has decided to close the Advanced Mixed Waste Treatmer in 2019. "The Department of Energy analyzed the feasibility of extending the AMW waste from other DOE sites, and concluded it would not be cost-effective," spokespaid.  Post Register (Idaho Falls, Idaho) (12/6)	TP mission to treat
ANS NEWS	
ANS Annual Meeting Call for Papers deadline is due Jan. 4 Be among the presenters at the 2019 ANS Annual Meeting by submitting your paper Join forces with other industry experts in sharing the latest research and findings in and technology. The meeting takes place June 9-13 in Minneapolis. Learn more.	

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From: Hamon, Kurt

To: Hamby, Tom: Keating, Cochran

Subject: Tax cuts for Florida Electric Utilities

Date: Tuesday, January 30, 2018 9:43:11 AM

Tom,

This was our estimate earlier. I'm not sure if there are better numbers now.

Kurt

----- Forwarded message -----

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Subject: FW: FW: Tax excerpts from Duke Energy Rate Settlement

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